GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department–Extension of certain incentives under Sri Venkateshwara Mobile & Electronic Manufacturing Hub and Electronic Policy 2014-2020 to M/s Munoth Industries Limited (MIL) to set up the first Lithium Battery Cell Project in Chittoor District **-** Orders-Issued.

INDUSTRIES &COMMERCE(POLICY&INVESTMENT) DEPARTMENT

G.O.MS.No. 36 Dated: 03-03-2017

Read the following:

1. DPR received from Ms. Jaswanth Munoth, dt: 18.12.2016
2. Empowered Committee Meeting on 25.01.2017
3. State Investment Promotion Board Meeting on 25.01.2017.

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ORDER:-

1. In the letter 1st read above, M/s Munoth Industries Limited (MIL) informed that they propose to set up the first Lithium Battery Cell Project in India in Chittoor District with an overall investment of Rs.500 with a potential to create employment to 1,700 persons. The proposed plant is expected to produce 1 million Ah/Day of batteries, for digital applications in the first phase and for digital & storage applications in the second and third phases. Phase I of the project involves an outlay of Rs.100 crores and employment to 350 people to produce 2 lakh Ah/Day. Phase II of the project involves an outlay of Rs. 150 crores and employment to 500 people to produce 3 lakh Ah/Day. Finally, Phase III of the project involves an outlay of Rs. 250 crores and employment to 850 people to produce 5 lakh Ah/Day. Shenzen based Better Power Battery Co. Ltd (BPI) an associate company of HNA Group, China is providing the technology to set up this project. The Company has requested for the following benefits:

i. Provision of 24x7 un interrupted quality power supply
ii. MIL will require 30-36 Acres of land to implement the project to produce 1 million Ah/day of Lithium Battery Cell in Sri Venkateswara Mobile And Electronics Manufacturing Hub, Renigunta & Yerpedu Mandals, Chittoor District. Cost of land should be Rs 20 lakhs/acres including leveling costs and compound wall.
iii. Investment subsidy to the tune of 20% of the project cost.
iv. Interest subsidy at 5% for a period of 10 years.
v. Reimbursement of 100% of gross VAT/CST/SGST for a period of 10 years from the date of commencement of commercial production.

vi. Logistic subsidy of 25% of cost incurred on domestic transport with no limitation for 8 years
vii. Power cost reimbursement of 25% of power cost for a period of 10 years.
viii. Reimbursement of the cost incurred for training and skill upgradation at Rs.20,000 per employee.
ix. Subsidy equivalent to 50% grant provided by Government of India under National Policy of Electronic/hardware policy.

2. In the reference 2nd read above, the Empowered Committee of Secretaries (EC) has examined the proposal of M/s.Munoth Industries Limited, in detail and recommended to extend the following incentives:

i. To place the issue of allocating leveled land including compound wall @ Rs.20 Lakh per acres before SIPB for taking a decision
ii. To extend incentives on the lines of incentives granted to the units in Sri Venkateshwara Mobile & Electronic Manufacturing Hub
   a. To provide Interest Subsidy @ 5.0% up to Rs.1.50 crore per year for a period of 7 years.
   b. 100% net VAT/SGST/CST reimbursement for 8 years, without any investment limit and extendable to another 2 years, if the investment reaches Rs.500 Crore.
   c. Logistic subsidy of 25% of cost incurred on domestic transports and a sum of Rs 50 lakh per annum subsidy on Logistics for 5 years.
   d. Power cost reimbursement @25% of power cost for a period of 5 years, limited to Rs 2.00 crore (for all 5 years).
   e. Training & Skill Up gradation - Reimbursement of the cost incurred for Training & Skill Up gradation, subject to the following cap will be provided, to consider Rs 20,000 training subsidy per employee trained in China and Rs 10,000 for other employee, who are on the permanent roles.
   f. With regard to investment Subsidy component of revised IT policy issued vide G.O.Ms.No.20, EC felt that post issuance of the guidelines the benefit may be extended accordingly.

3. In the reference 3rd read above, the State Investment Promotion Board(SIPB) has examined the proposal of M/s Munoth Industries Limited (MIL), in detail and decided to extend the following incentives:

i. APIIC to allot land @ Rs.20 Lakh per acres on the lines of land allotted to similar kind of Industry in the same locality.

ii. To extend incentives on the lines of incentives granted to the units in Sri Venkateshwara Mobile & Electronic Manufacturing Hub

   a. To provide Interest Subsidy @ 5.0% upto Rs.1.50 crore per year for a period of 7 years.
   b. 100% net VAT/SGST/CST reimbursement for 8 years, without any investment limit and extendable to another 2 years, if the investment reaches Rs.500 Crore.
   c. Logistic subsidy of 25% of cost incurred on domestic transports and a sum of Rs 50 lakh per annum subsidy on Logistics for 5 years.
   d. Power cost reimbursement @25% of power cost for a period of 5 years, limited to Rs 2.00 crore (for all 5 years).
   e. Training & Skill Upgradation - Reimbursement of the cost incurred for Training & Skill Upgradation, @ Rs 20,000 per employee trained in China and Rs 10,000 for other employee, who are on the permanent roles
   f. SIPB directed IT and Industries Department to examine the investment subsidy component of revised IT policy issued vide G.O.Ms.No.20, with the help of Sri Kutumba Rao Garu, Vice Chairman, Planning Board and to extend the benefit accordingly, post issuance of the guidelines.

4. Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s Munoth Industries Limited (MIL) for their proposed Lithium Battery Cell Project in Chittoor District with an overall investment of Rs.500 with a potential to create employment to 1,700 persons.

i. APIIC to allot land @ Rs.20 Lakh per acres on the lines of similar kind of Industry in Electronic Manufacturing Cluster 2(Vikruthamala (V), Yerpedu (M), Chittoor District.

ii. To extend incentives on the lines of incentives granted to the units in Sri Venkateshwara Mobile & Electronic Manufacturing Hub

   a. To provide Interest Subsidy @ 5.0% upto Rs.1.50 crore per year for a period of 7 years.

b. 100% net VAT/SGST/CST reimbursement for 8 years, without any investment limit and extendable to another 2 years, if the investment reaches Rs.500 Crore.

c. Logistic subsidy of 25% of cost incurred on domestic transports and a sum of Rs 50 lakh per annum subsidy on Logistics for 5 years.

d. Power cost reimbursement @25% of power cost for a period of 5 years, limited to Rs 2.00 crore (for all 5 years).

e. Training & Skill Upgradation - Reimbursement of the cost incurred for Training & Skill Upgradation, @ Rs 20,000 per employee trained in China and Rs 10,000 for other employee, who are on the permanent roles

f. SIPB directed IT and Industries Department to examine the investment subsidy component of revised IT policy issued vide G.O.Ms.No.20, with the help of Sri Kutumba Rao, Vice Chairman, Planning Board and to extend the benefit accordingly, post issuance of the guidelines.

5. The Director of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNER OF ANDHRAPRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, Andhra Pradesh, Vijayawada
M/s Munoth Industries Limited through the Director of Industries, Andhra Pradesh.
The PR& RD (PR) Department.
The MA& UD Department.
The H.M.& F.W. Department.
The Collector& District Magistrate, Chittoor District.
The VC&MD,APIIC Ltd.
The General Manager, District Industries Centre, Chittoor District.
The Zonal Manager, APIIC, Chittoor.
Copy to
The Finance (EBS-VIII)Department.

The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law(H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes
The Vice Chairman & Managing Director, APIIC.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP,
Industries & Commerce Dept.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER